

INITIATIVE 912

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 912 to the People is a true and correct copy as it was received by this office.

1 AN ACT Relating to reducing the motor vehicle fuel tax rate;
2 amending RCW 82.36.025 and 46.68.090; and creating new sections.

3 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

4 POLICIES AND PURPOSES

5 NEW SECTION. **Sec. 1.** In 2002 voters overwhelmingly rejected a
6 nine cent per gallon increase to the motor vehicle fuel tax rate.
7 Since that time, politicians have voted to increase the motor vehicle
8 fuel tax rate by fourteen and one-half cents per gallon. This measure
9 would repeal the most recent increase to the motor vehicle fuel tax
10 rate of nine and one-half cents.

11 REPEALING THE 9 AND ONE-HALF CENT INCREASE 12 IN THE MOTOR VEHICLE FUEL TAX RATE

13 **Sec. 2.** RCW 82.36.025 and 2005 c ... (ESSB 6103) s 101 are each
14 amended to read as follows:

15 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon
16 applies to the sale, distribution, or use of motor vehicle fuel.

1 (2) Beginning July 1, 2003, an additional and cumulative motor
2 vehicle fuel tax rate of five cents per gallon applies to the sale,
3 distribution, or use of motor vehicle fuel. This subsection (2)
4 expires when the bonds issued for transportation 2003 projects are
5 retired.

6 ~~((3) Beginning July 1, 2005, an additional and cumulative motor~~
7 ~~vehicle fuel tax rate of three cents per gallon applies to the sale,~~
8 ~~distribution, or use of motor vehicle fuel.~~

9 ~~(4) Beginning July 1, 2006, an additional and cumulative motor~~
10 ~~vehicle fuel tax rate of three cents per gallon applies to the sale,~~
11 ~~distribution, or use of motor vehicle fuel.~~

12 ~~(5) Beginning July 1, 2007, an additional and cumulative motor~~
13 ~~vehicle fuel tax rate of two cents per gallon applies to the sale,~~
14 ~~distribution, or use of motor vehicle fuel.~~

15 ~~(6) Beginning July 1, 2008, an additional and cumulative motor~~
16 ~~vehicle fuel tax rate of one and one-half cents per gallon applies to~~
17 ~~the sale, distribution, or use of motor vehicle fuel.))~~

18 **Sec. 3.** RCW 46.68.090 and 2005 c ... (ESSB 6103) s 103 are each
19 amended to read as follows:

20 (1) All moneys that have accrued or may accrue to the motor vehicle
21 fund from the motor vehicle fuel tax and special fuel tax shall be
22 first expended for purposes enumerated in (a) and (b) of this
23 subsection. The remaining net tax amount shall be distributed monthly
24 by the state treasurer in accordance with subsections (2) through (7)
25 of this section.

26 (a) For payment of refunds of motor vehicle fuel tax and special
27 fuel tax that has been paid and is refundable as provided by law;

28 (b) For payment of amounts to be expended pursuant to
29 appropriations for the administrative expenses of the offices of state
30 treasurer, state auditor, and the department of licensing of the state
31 of Washington in the administration of the motor vehicle fuel tax and
32 the special fuel tax, which sums shall be distributed monthly.

33 (2) All of the remaining net tax amount collected under RCW
34 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)
35 through (j) of this section.

36 (a) For distribution to the motor vehicle fund an amount equal to
37 44.387 percent to be expended for highway purposes of the state as
38 defined in RCW 46.68.130;

(b) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount equal to 3.2609 percent to be expended for special category C projects. Special category C projects are category C projects that, due to high cost only, will require bond financing to complete construction.

The following criteria, listed in order of priority, shall be used in determining which special category C projects have the highest priority:

- (i) Accident experience;
- (ii) Fatal accident experience;
- (iii) Capacity to move people and goods safely and at reasonable speeds without undue congestion; and
- (iv) Continuity of development of the highway transportation network.

Moneys deposited in the special category C account in the motor vehicle fund may be used for payment of debt service on bonds the proceeds of which are used to finance special category C projects under this subsection (2)(b);

(c) For distribution to the Puget Sound ferry operations account in the motor vehicle fund an amount equal to 2.3283 percent;

(d) For distribution to the Puget Sound capital construction account in the motor vehicle fund an amount equal to 2.3726 percent;

(e) For distribution to the urban arterial trust account in the motor vehicle fund an amount equal to 7.5597 percent;

(f) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 5.6739 percent and expended in accordance with RCW 47.26.086;

(g) For distribution to the cities and towns from the motor vehicle fund an amount equal to 10.6961 percent in accordance with RCW 46.68.110;

(h) For distribution to the counties from the motor vehicle fund an amount equal to 19.2287 percent: (i) Out of which there shall be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725; and (ii) less any amounts appropriated to the county road administration board to implement the provisions of RCW 47.56.725(4), with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;

1 (i) For distribution to the county arterial preservation account,
2 hereby created in the motor vehicle fund an amount equal to 1.9565
3 percent. These funds shall be distributed by the county road
4 administration board to counties in proportions corresponding to the
5 number of paved arterial lane miles in the unincorporated area of each
6 county and shall be used for improvements to sustain the structural,
7 safety, and operational integrity of county arterials. The county road
8 administration board shall adopt reasonable rules and develop policies
9 to implement this program and to assure that a pavement management
10 system is used;

11 (j) For distribution to the rural arterial trust account in the
12 motor vehicle fund an amount equal to 2.5363 percent and expended in
13 accordance with RCW 36.79.020.

14 (3) The remaining net tax amount collected under RCW 82.36.025(2)
15 and 82.38.030(2) shall be distributed to the transportation 2003
16 account (nickel account).

17 (4) The remaining net tax amount collected under RCW (~~82.36.025(3)~~
18 ~~and~~) 82.38.030(3) shall be distributed as follows:

19 (a) 8.3333 percent shall be distributed to the incorporated cities
20 and towns of the state in accordance with RCW 46.68.110;

21 (b) 8.3333 percent shall be distributed to counties of the state in
22 accordance with RCW 46.68.120; and

23 (c) The remainder shall be distributed to the transportation
24 partnership account created in RCW 46.68.--- (section 104, chapter ...
25 (ESSB 6103), Laws of 2005).

26 (5) The remaining net tax amount collected under RCW (~~82.36.025(4)~~
27 ~~and~~) 82.38.030(4) shall be distributed as follows:

28 (a) 8.3333 percent shall be distributed to the incorporated cities
29 and towns of the state in accordance with RCW 46.68.110;

30 (b) 8.3333 percent shall be distributed to counties of the state in
31 accordance with RCW 46.68.120; and

32 (c) The remainder shall be distributed to the transportation
33 partnership account created in RCW 46.68.--- (section 104, chapter ...
34 (ESSB 6103), Laws of 2005).

35 (6) The remaining net tax amount collected under RCW (~~82.36.025~~
36 ~~(5) and (6) and~~) 82.38.030 (5) and (6) shall be distributed to the
37 transportation partnership account created in RCW 46.68.--- (section
38 104, chapter ... (ESSB 6103), Laws of 2005).

1 (7) Nothing in this section or in RCW 46.68.130 may be construed so
2 as to violate any terms or conditions contained in any highway
3 construction bond issues now or hereafter authorized by statute and
4 whose payment is by such statute pledged to be paid from any excise
5 taxes on motor vehicle fuel and special fuels.

6 **MISCELLANEOUS**

7 NEW SECTION. **Sec. 4.** The provisions of this act are to be
8 liberally construed to effectuate the intent, policies, and purposes of
9 this act.

10 NEW SECTION. **Sec. 5.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected. If the repeal or reduction
14 of any tax in this act is judicially held to impair any contract in
15 existence as of the effective date of this act, any unused taxing
16 authority shall be repealed as of the effective date of this act and
17 the repeal of pledged revenues shall apply to any other contract,
18 including novation, renewal, or refunding (in the case of bond
19 contract).

20 NEW SECTION. **Sec. 6.** Part headings used in this act are not part
21 of the law.

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